



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555
JUL 15 1976

Davis, Graham & Stubbs
ATTN: Mr. Brian T. Dolan
Colorado National Building
950 Seventeenth Street
Denver, Colorado 80202

Dear Mr. Dolan:

Thank you for your letter of June 3, 1976, regarding a proposed agreement between the Division of Oil, Gas and Mining, State of Utah and Atlas Corporation.

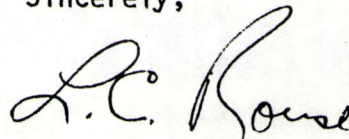
It is our opinion that such an agreement dealing with mill tailings stabilization and maintenance is very appropriate. Our approval would be subject to our acceptance of the stabilization plan and the reservation noted below. An acceptable stabilization plan would be Alternative III, as described in the August 15, 1975 report by Dames and Moore, with the following conditions (also see enclosed letter, Energy Research and Development Administration to the Nuclear Regulatory Commission, dated November 11, 1975):

1. Burial of 4 to 5 feet of coarse beach material may not be enough to provide a firm surface for the cover material. The depth of soft slime in the Atlas tailings pond should be measured, and tests made to determine the quantity of sands that must be mixed with it to provide a firm material which will support a surface cover.
2. A demonstration program should be performed during the operating lifetime of the plant to develop a suitable revegetation method utilizing some of the existing berm areas.

As you are probably aware, a notice was published in the Federal Register on June 3, 1976 (41 FR 22430, copy enclosed) that the Nuclear Regulatory Commission (NRC) will prepare a generic environmental impact statement (GEIS) on uranium milling operations. This notice states that any renewal licensing action, such as for the Atlas mill, will be subject to express conditions that mill tailings management practices may be subject to revision in accordance with the conclusions of the final GEIS and any related rule making.

As also stated in the FR notice, a full environmental impact statement (EIS) will be prepared by NRC for each renewal licensing action during the period that the GEIS is being prepared. In this regard, we will be in contact with Atlas Minerals as we proceed with the environmental statement for the Atlas mill. However, an early agreement between Atlas and the Division of Oil, Gas and Mining, State of Utah, would resolve one of the important aspects of the EIS for the Atlas mill renewal. Please keep us informed of progress in this area.

Sincerely,



L. C. Rouse, Chief
Fuel Processing & Fabrication Branch
Division of Fuel Cycle and
Material Safety

Enclosures:
As stated

cc: William P. Badger
General Superintendent
Atlas Minerals Corp.
Cleon B. Feight, Director ✓
Division of Oil, Gas & Mining
State of Utah

NOTICES

[PRM 40-21]

URANIUM MILLING**Intent to Prepare a Generic Environmental
Impact Statement**

On May 14, 1975, the Nuclear Regulatory Commission (NRC) published in the **FEDERAL REGISTER** (40 FR 20983) a notice that a petition for rule making had been filed with the Commission by the **Natural Resources Defense Council, Inc.**

The petitioners requested the Commission to issue regulations that would (a) require uranium mill operators licensed by the Commission to post a performance bond that would cover the cost of

stabilization and ultimate disposal of uranium mill tailings, and require each Agreement State to require uranium mill operators licensed by the Agreement State to post a similar performance bond.

The petitioners also requested the Commission to proceed immediately with the preparation of a draft programmatic environmental impact statement on the the Commission's uranium milling regulatory program, including that part of the mill licensing program administered by Agreement States. Further, the petitioners requested the Commission to issue or renew no licenses during the time the environmental impact statement is being prepared that would permit a licensee to escape any new regulations promulgated as a result of the requested environmental impact statement.

Interested persons were invited to submit comments on the petition by July 14, 1975. In view of the interest which was shown in the subject matter of the petition, the comment period was extended to August 28, 1975. Thirty-one responses from varying sources were received within the comment period. (Copies are on file at the Commission's Public Document Room, 1717 H Street, N.W., Washington, D.C.)

After giving due consideration to the petition, the comments received, and the history of uranium mill tailings management practices, the Commission believes that, from the standpoint of longer range policy, this matter can be profitably examined in a programmatic context. It views the preparation of a generic environmental statement as a suitable vehicle for such an examination.

Accordingly, notice is hereby given that the Nuclear Regulatory Commission (NRC) will prepare a generic environmental impact statement (GEIS) on uranium milling operations. The purpose of the GEIS will be to assess the environmental impact of uranium milling operations, including the management of uranium mill tailings, and to provide an opportunity for public participation in decisions concerning any proposed changes in NRC regulations or regulatory authority based on this assessment. Information pertinent to the environmental impact from uranium mill operations in both Agreement and non-Agreement States will be included. It is anticipated that the draft GEIS will be published in approximately two years.

The Commission also has given careful consideration to petitioners' request that licensing actions involving renewal of licenses for existing uranium mills and the issuance of licenses for any new mills should be deferred pending completion of the generic environmental impact statement. In considering this matter, the Commission noted that most of the presently operating uranium mills licensed by the NRC are subject to renewal licensing action during the contemplated interim period. The production capacity of the existing uranium mills in both Agreement States and non-Agreement States slightly exceeds the fuel require-

ments of operating nuclear power reactors. However, the full capacity of the existing mills will be required to support presently operating nuclear power reactors and those expected to begin operation in 1977. Additional uranium milling capacity will be required to support nuclear power reactors now under construction with operational dates of 1978 and beyond. Since approximately two years is required to complete the construction of a mill, new mills expected to begin production in 1978 will require NRC licensing action in 1978 and 1977 if a uranium mill short-fall is to be avoided. However, the number of new mills expected during this interim period is small.

In light of the above, a deferral of licensing actions on new mills or suspension of present milling activities during the interim prior to completion of the GEIS would result in substantial shortages of necessary domestic uranium fuel for operating nuclear power reactors. The Commission has concluded that there should be no such general deferral during the period required for preparation of the generic statement, and that licensing actions may continue during the interim period subject to certain conditions. In reaching this conclusion, the Commission considered the following specific factors:

(1) It is likely that each individual licensing action of this type would have a utility that is independent of the utility of other licensing actions of this type;

(2) It is not likely that the taking of any particular licensing action of this type during the time frame under consideration would constitute a commitment of resources that would tend to significantly foreclose the alternatives available with respect to any other individual licensing action of this type;

(3) It is likely that any environmental impacts associated with any individual licensing action of this type would be such that they could adequately be addressed within the context of the individual license application without overlooking any cumulative environmental impacts;

(4) It is likely that any technical issues that may arise in the course of a review of an individual license application can be resolved within that context; and

(5) A deferral on licensing actions of this type would result in substantial harm to the public interest as indicated above because of uranium fuel requirements of operating reactors and reactors now under construction.

During preparation of the GEIS, the Commission will continue to review applications for renewal of existing licenses for uranium milling and for new uranium milling licenses on a case-by-case basis. These licensing actions during the interim period will be accompanied by individual environmental impact statements tailored to the facts of the case. Since the Commission's general conclusions with respect to the five factors, as set forth above, may not fit the factual circumstances of particular licensing actions, the five factors will be applied,

weighed and balanced within the context of these statements in reaching licensing determinations. The NRC will continue its program of assuring that adequate financial security arrangements, through bonding or other feasible methods, are made for the reclamation and stabilization of mill tailings. Any licensing actions that are taken will be subject to express conditions that approved waste generating processes and mill tailings management practices may be subject to revision in accordance with the conclusions of the final GEIS and any related rule making.

The determinations to prepare a generic environmental impact statement and to continue processing related applications in the interim subject to specified criteria are a partial response to the petition of the Natural Resources Defense Council, Inc. Other aspects of the petition, such as regulations covering financial responsibility for uranium mill waste management over the long-term, have not been decided at this time. It is the intention of the Commission that proposed rules be published for public comment no later than the time of publication of the final GEIS. The content of these rules will be developed out of the information derived from the preparation of the GEIS and the conclusions resulting from the assessment of alternatives.

Dated at Washington, D.C., this 1st day of June 1976.

For the U.S. Nuclear Regulatory Commission.

SAMUEL J. CHILK,
Secretary of the Commission.

[FR Doc.76-10287 Filed 6-2-76; 9:24 am]